

Miles Burdine President & CEO Kingsport Area Chamber of Commerce

Education is our Economic Development Engine

Dennis Phillips Mayor City of Kingsport

We are all Champions:
"It is amazing how much
you can accomplish when
it doesn't matter who
gets the credit."

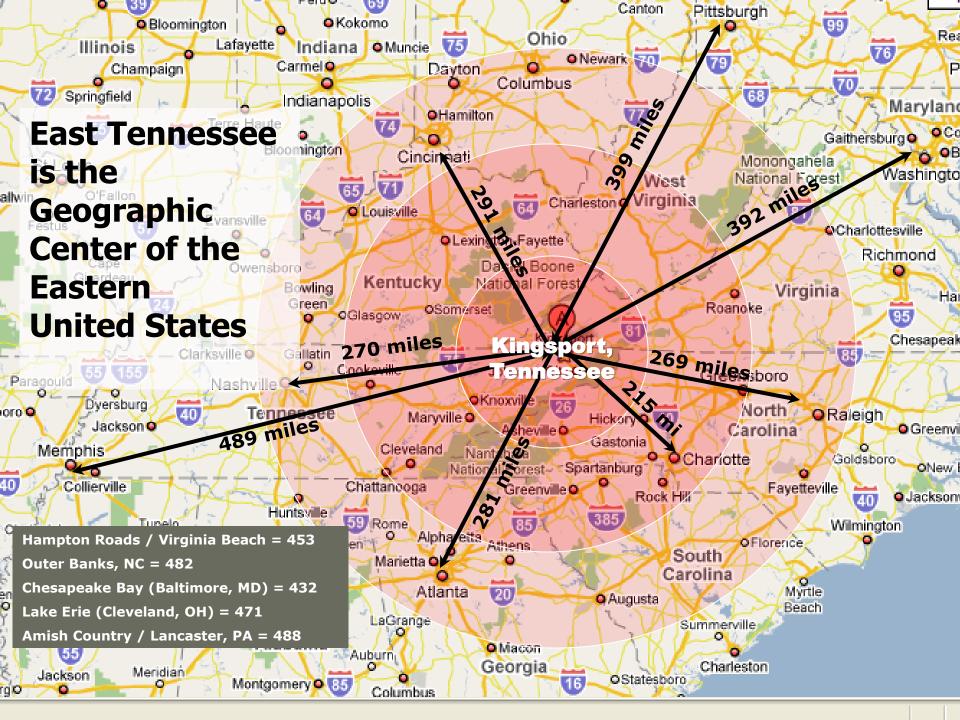
Harry S. Truman

Jeff Fleming

Assistant City Manager for Development City of Kingsport

Last one out turn out the lights. Why in the world would you give away two years of college for free?

Kingsport's industrial heritage and the case for change





Kingsport is the largest city in Tennessee's 5th Largest Metro

Nashville-Murfreesboro-Franklin, TN Memphis, TN-MS-AR Knoxville, TN

Chattanooga, TN-GA

Kingsport-Bristol, TN-VA

Clarksville, TN-KY

Johnson City, TN

Morristown, TN

Cleveland, TN

Jackson, TN

Cookeville, TN

Tullahoma, TN

Sevierville-Pigeon Forge-Gatlinburg, TN



1,589,934

1,316,100

698,030

528,143

309,544

273,949

198,716

136,608

115,788

115,425

106,042

100,210

89,889

Census Bureau, Metropolitan Statistical Area: 2010 Census

Dallas-Ft Worth-Arlington, TX	<i>6,371,773</i>
State of Tennessee	6,346,105
Knoxville, TN	698,030
Greenville, SC	636,986
Chattanooga, TN-GA	528,143
Asheville, NC	424,858
Kingsport-Bristol, TN-VA	309,544
Roanoke, VA	308,707
Charleston, WV	304,284
Huntington, WV	287,702
Spartanburg, SC	284,307
Charlottesville, VA	201,559
Johnson City, TN	198,716
Anderson (Clemson) , SC	187,126
Blacksburg (Virginia Tech)	162,958

Kingsport is... the largest city in the 5th Largest Metro in America's Mountain South



Census Bureau, Metropolitan Statistical Area: 2010 Census

Kingsport's settlement pre-dates the State of Tennessee by 35 years

- 1761 British Fort Robinson (later taken by U.S. and renamed Fort Patrick Henry)
- 1779 Sullivan County, NC (later TN) formally established
- 1784-1789 The Lost State of Franklin
- 1796 Tennessee statehood from North Carolina
- 1822 "Old" Kingsport incorporated
- 1861-1865 American Civil War
- 1917 "New" Kingsport incorporated (nearly 100 years after "Old" Kingsport)
- 1967 "Old" Kingsport annexed into "New" Kingsport

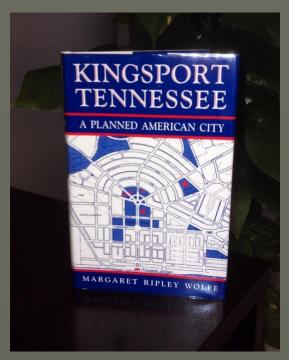
Kingsport, Tennessee: A Planned American City (1987)

"Plan to 'boom a town at Kingsport' "

Johnson City Comet August 17, 1905

"This would mean that Kingsport is to arise from a small country town, located at the intersection of the North and South forks of the Holston River, to become one of the most important manufacturing and business towns in the state of Tennessee"

> Johnson City Comet August 24, 1905



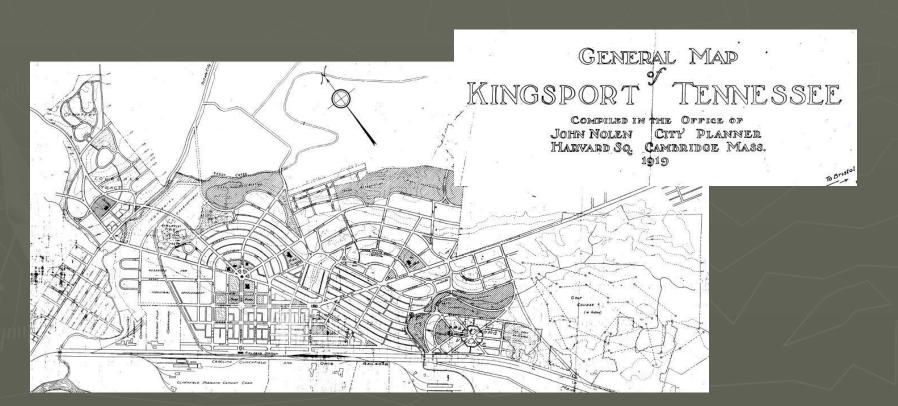


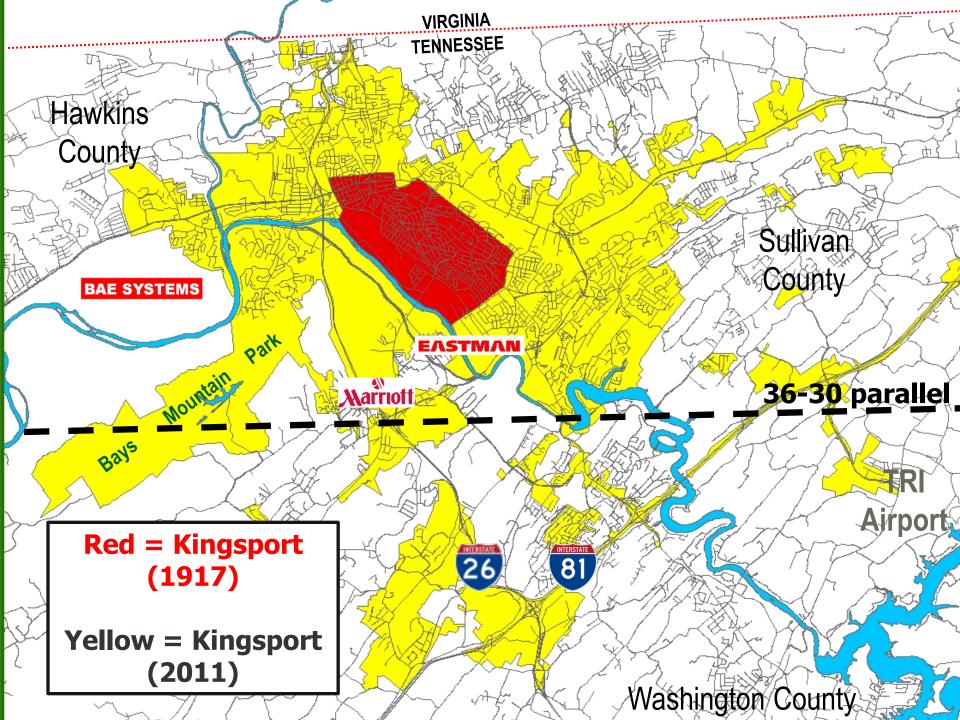
1954

"The Kingsport Spirit"

"Frequently we are asked what motivating spirit has been apparent in the building of this city of industries, schools, churches and homes. Were I to undertake to define the spirit underlying every step in the growth of Kingsport, from the days of its humblest beginning until now, I could not avoid the assertion that the spirit, if it be a spirit, is one of mutual helpfulness and a willingness to submerge selfish interest beneath the individual effort to assure the greater good for the greatest number."

~ J. Fred Johnson, 1937





The 1999 Economic Summit Economy in Transition

- "Last one out, turn out the lights"
- Major manufacturing closures/lay-offs
- ► Eastman spin-off from Kodak
- Major changes in elected officials and appointed leadership
- "Rustbelt"
- ▶ Call to action A new day, a new plan

EDUCATION & HEALTHCARE JOBS



MANUFACTURING JOBS



Where We Were The 1999 Economic Summit

Six Major Non-Traditional Economic Development Initiatives

- Higher Education (Educate & Grow)
- Recruit people (educated with income)
 - Retail amenities
 - Accessibility (airport)
 - Quality of life amenities
 - Commitment to education
- •Small business & entrepreneurs
- Leisure/hospitality/sports tourism
- •Redevelopment / TIF / PILOT
- •Public arts, sculpture, music, cultural amenities



Broad Street Redevelopment Concept Plan 2001

Where We Were The 1999 Economic Summit

Six Major Non-Traditional Economic Development Initiatives

- Higher Education (Educate & Grow)
- Recruit people (educated with income)
 - Retail amenities
 - Accessibility (airport)
 - Quality of life amenities
 - •Commitment to education
- •Small business & entrepreneurs
- Leisure/hospitality/sports tourism
- •Redevelopment / TIF / PILOT
- •Public arts, sculpture, music, cultural amenities



Broad Street Redevelopment Concept Plan 2001





2 years free tuition to H.S. graduates **Childcare, Public Transit**

\$17 million local capital funding

2,100 students

2002 – Applied Technology

2008 – Health Professions

2009 – Higher Education

2009 – Advanced Manufacturing

2011 – Automotive Tech

Kingsport Times-News

Harvard recognizes city's efforts to spur education

Most residents already consid Kingsport a special place. All t same, it's gratifying that the city h been identified by Harvard Univers as creating some of the most innovati education initiatives in the nation.

This week in Washington, D.C., t Ash Institute for Democratic Gove nance and Innovation at the John Kennedy School of Government Harvard University honored Kingspo as one of only six winners of the 20 Innovations in American Governme Awards.

The prestigious award is a recogn tion from one of the top universities the nation of Kingsport's years of wo in promoting and advancing higher e ucation — from the Educate and Gre program, to the newly open Kingsport Center for Higher Educ tion, to the idea of creating an Ac demic Village in downtown Kingspor

As Mayor Dennis Phillips noted, th incredible accomplishment will "dra



Price 75 Cents

94th Year, Number 271

Haslam says 'Educate and Grow' could go statewide

■ 'Educate and Grow scholarship program allows ev-





Education a family affair for Church Hill foursome and professors and among students.

'As long as you're willing to learn, you will learn here."

Troy Christian

By RICK WAGNER rwagner@timesnews.net

KINGSPORT - When it comes to the Kingsport Center for Higher Education, the Christian family of Church Hill is keeping it all in the family.

Dad Troy Christian, mom Teresa,



"They're really here to help us learn," Teresa said of the professors, including her anatomy professor, whom she talked with as he came through a hall at the center during the family's recent interview. "You're about get to know everybody in your classroom by the end of the semester

on a personal level." Of the Christians:

· Troy has worked at Domtar for about four years. About three years

Where We Were The 1999 Economic Summit

Six Major Non-Traditional Economic Development Initiatives

- Higher Education (Educate & Grow)
- Recruit people (educated with income)
 - Retail amenities
 - Accessibility (airport)
 - Quality of life amenities
 - Commitment to education

Small business & entrepreneurs

- Leisure/hospitality/sports tourism
- •Redevelopment / TIF / PILOT
- •Public arts, sculpture, music, cultural amenities



Broad Street Redevelopment Concept Plan 2001



Home About Us Events Partners News Join





FORTUNE •

Term Sheet

Economy

Money -

Tech

Personal Finance

2009 -

Small Business

CNNMoney.com > Small Business > Best Places to Launch

BEST PLACES TO LAUNCH

Palm Coast, FL

Find Loans Business Climate Costs Fastest small business growth Educated workers Low crime High income Growing economy

22.4%

1.888

Markets

Fastest small business growth

In these metro areas, the number of small businesses -- companies with fewer than 50 employees -- grew fast from 2004-2007.

FASTEST GROWTH SLOWEST GROWTH

Rank		Metro area	Small business growth rate	# of small businesses (1-49 employees)
	1	Kingsport, TN	43.7%	6,087
	2	St. George, UT	29.8%	4,224
	3	Provo, UT	23.0%	10,525
	4	Bend, OR	22.6%	6,554

Best Places Winners



Show: All 50 | Top Large Places | Top Midsize | Top Small

Top 25 Lists

Small business growth College-educated workers

ScanSnap FUĴÎTSU

Find your lau

Do you prefer a place

The factors that mat most to me are:

Affordable wage

Educated worker

Low crime

Where We Were The 1999 Economic Summit

Six Major Non-Traditional Economic Development Initiatives

- Higher Education (Educate & Grow)
- Recruit people (educated with income)
 - Retail amenities
 - Accessibility (airport)
 - Quality of life amenities
 - •Commitment to education
- •Small business & entrepreneurs



Broad Street Redevelopment Concept Plan 2001

- Leisure/hospitality/sports tourism
- •Redevelopment / TIF / PILOT
- •Public arts, sculpture, music, cultural amenities



Where We Were The 1999 Economic Summit

Six Major Non-Traditional Economic Development Initiatives

- Higher Education (Educate & Grow)
- Recruit people (educated with income)
 - Retail amenities
 - Accessibility (airport)
 - Quality of life amenities
 - •Commitment to education
- •Small business & entrepreneurs
- Leisure/hospitality/sports tourism
- Redevelopment / TIF / PILOT
- •Public arts, sculpture, music, cultural amenities



Broad Street Redevelopment Concept Plan 2001

Downtown Kingsport Renaissance

\$114.9 million appraised value

\$41.7 million in private taxable investment (1998-2011)

Excluding churches, hospital, higher education (an additional \$129,000,000)













Since 2005, all of these have located on a redeveloped site











stir fry cafe



















































Where We Were The 1999 Economic Summit

Six Major Non-Traditional Economic Development Initiatives

Higher Education (Educate & Grow)

Recruit people (educated with income)

- Retail amenities
- Accessibility (airport)
- Quality of life amenities
- •Commitment to education
- •Small business & entrepreneurs
- Leisure/hospitality/sports tourism
- Redevelopment / TIF / PILOT



•Public arts, sculpture, music, cultural amenities

Broad Street Redevelopment Concept Plan 2001



THE FACTS

CAREERS

FAMILIES

HOMES

ACTIVIT

What Are You Looking For?

SEARCH

CONTACT US - or - Call 423-392-













MEET OUR NEIGHBORS - Select an image and we'll introduce you to some of those who call Kingsport their new home.



A community like no other ... and we'll prove it!

Sign the Guestbook and we'll get started to help you FIND A JOB, FIND A HOME and discover a new life in Tennessee's bright spot.

Get Started Now



Tennessee's Bright Spot

Offering a dynamic combination of pristine beauty and cutting-edge technology, the city of Kingsport is a beacon of hospitality in an

Kingsport Just For You...

Select a preference below for custom information related to your interests in our community. It's Kingsport just for you..

Top Destinations - Must See

Ride The Bus!

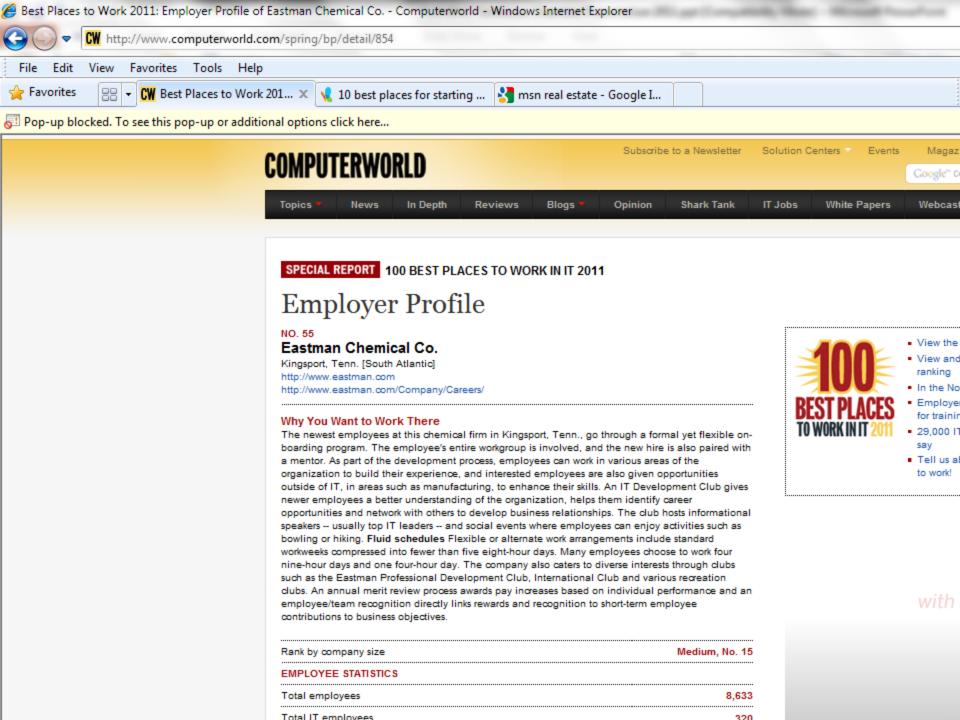
It's almost as good as being there yourself. F the Downtown Kingsport Tour Bus with Chad





8th Best Place for Starting Over June 2011

- ► The Tri-Cities region of northeastern Tennessee and southwestern Virginia, in the Blue Ridge Mountains, was the birthplace of the country's earliest countrymusic recordings.
- ► Today, the area takes a back seat to Nashville, Tenn., in the music arena, but it is home to a number of large employers, including thriving Eastman Chemical Co., paper maker Domtar Corp. and the Holston Army Ammunition Plant.
- Kingsport also is making some bold moves to boost its economic fortunes by harnessing the education of its residents. The city won accolades from both the National League of Cities and Harvard University for its city scholarship program, which pays for up to four semesters at Northeast State Community College for city high-school graduates.





Waconia, Minnesota

Only 30 minutes west of the Twin Cities, and it boasts an outdoor playground of natural beauty...plus a community indoor water park. The town is an especially friendly place to build a primary care practice in or near Minneapolis/St. Paul, then come home to this cozy settlement of 9,000 on the shores of Lake Waconia.





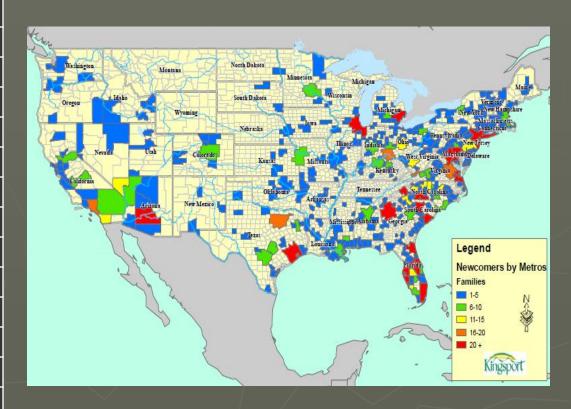
Kingsport, Tennessee

Recently named one of the best cities to practice medicine in America by Medial Economics Magazine:

Top Metros Moving to Kingsport FY06-FY12

1	Tampa Bay, FL
2	Washington, DC-VA-MD-WV
3	Atlanta, GA
4	Miami-Ft Lauderdale, FL
5	New York-Northern NJ
6	Asheville, NC
7	Charlotte, NC-SC
8	Orlando, FL
9	Virginia Beach-Norfolk, VA-NC
10	Deltona-Daytona, FL
11	Detroit, MI
12	Chicago, IL-IN-WI
13	Houston, TX
14	Baltimore, MD
15	Charleston, SC
16	Phoenix, AZ
17	Jacksonville, FL
18	Sarasota-Bradenton, FL
19	Columbia, SC
20	Dallas-Fort Worth, TX

2,591 families from 49 states & DC moved to Kingsport



Buxton analysis of in-migrants to Kingsport

Primary:

Young and ethnically diverse singles living comfortable lifestyles.

Secondary:

Mature singles and couples living in middle-class urban neighborhoods.

Tertiary

Upscale, college educated boomer families and couples living in comfortable, single detached homes in city neighborhoods.

Buxton analysis of in-migrants

Compared to existing Kingsport residents, in-migrants from >35 miles away are:

84% likely to have children under 6

35% more likely to have a head of household 35-44

25% more likely to have a head of household 45-54

170% more likely to have an income \$150,000-\$174,999

93% more likely to have an income \$175,000-\$199,999

222% more likely to have an income \$200,000+

275% more likely to live in a home valued \$400,000+

5-Year House Price Appreciation

Source: FHFA.gov 3rd Quarter 2011 (released November 29, 2011)

+6.67% Kingsport-Bristol, TN-VA

- +4.03% Johnson City, TN
- +2.64% Greenville-Mauldin-Easley, SC
- +1.54% Fort Worth-Arlington, TX
- +0.80% Knoxville, TN
- +0.43% Dallas-Plano-Irving, TX
- +0.30% Lexington, KY
- -0.87% Nashville-Murfreesboro-Franklin, TN
- -1.28% Chattanooga, TN
- -1.68% Roanoke, VA
- -1.91% Spartanburg, SC
- -3.74% Asheville, NC
- -4.56% Charlotte-Gastonia-Rock Hill, NC-SC
- -8.65% Memphis, TN-MS-AR
- -18.13% Atlanta-Sandy Springs-Marietta, GA
- -21.93% Chicago-Joliet-Naperville, IL
- -33.74% Detroit-Livonia, MI
- -39.55% Tampa-St. Petersburg-Clearwater, FL
- -45.40% Fort Lauderdale-Pompano-Deerfield, FL
- -59.46% Las Vegas-Paradise, NV

20 Metropolitan Statistical Areas and Divisions* with Highest Rates of House Price Appreciation

Percent Change in House Prices with MSA Rankings Period Ended September 30, 2011

(Estimates use all-transactions HPI which includes purchase and refinance mortgages)

Note that purchase-only indexes, which omit appraisal values, are available for select metro areas at http://www.fnfa.gov/Default.aspx?Page=87.

MSA	National Ranking**	1-Yr.	Qtr.	5-Yr.
Bismarck, ND	1	5.52	0.38	15.99
Dubuque, IA	2	2.46	3.26	8.06
Fargo, ND-MN	3	1.86	2.37	6.88
Joplin, MO	4	1.56	5.74	2.59
Casper, WY	5	0.88	3.73	5.99
Springfield, IL	6	0.67	-0.22	5.12
Burlington-South Burlington, VT	7	0.60	0.96	0.61
Pittsburgh, PA	8	0.33	1.05	8.15
Anchorage, AK	9	0.29	0.28	1.55
Owensboro, KY	10	0.27	2.20	8.03
Honolulu, HI	11	0.24	-0.93	-6.57
Davenport-Moline-Rock Island, IA-IL	12	0.20	1.15	5.23
Corpus Christi, TX	13	0.15	1.23	2.50
Bloomington, IN	14	0.11	4.14	6.21
Waterloo-Cedar Falls, IA	15	0.07	-0.61	4.32
Topeka, KS	16	0.06	3.97	1.62
Jefferson City, MO	17	0.03	2.24	4.43
Kingsport-Bristol-Bristol, TN-VA	18	0.01	1.22	6.67
Fayetteville, NC	19	-0.02	-0.26	9.39
Sioux Falls, SD	20	-0.10	1.33	4.58

7.1% = Dallas-Fort Worth, TX

7.1% = Kingsport-Bristol, TN-VA

7.1% = Johnson City, TN

7.9% = Asheville, NC

7.7% = Greenville-Mauldin-Easley, SC

9.3% = Spartanburg, SC

8.0% = Columbia, SC

7.9% = Charleston-North Charleston, SC

8.8% = Savannah, GA

9.9% = Brunswick, GA

9.2% = Jacksonville, FL

13.9% = Palm Coast, FL

10.1% = Deltona-Daytona, FL

9.5% = Orlando-Kissimmee-Sanford, FL

10.0% = Tampa-St. Pete-Clearwater, FL

10.8% = Palm Bay-Melbourne-Titusville, FL

Jobs

updated December 2011 (BLS.gov)

Quick Summary of Unemployment Rate:		
Sullivan County	7.1%	
Kingsport-Bristol, TN-VA MSA	7.2%	
Johnson City-Kingsport-Bristol, TN-VA CSA		
Hawkins County	7.5%	
United States	8.2%	
State of Tennessee	8.4%	

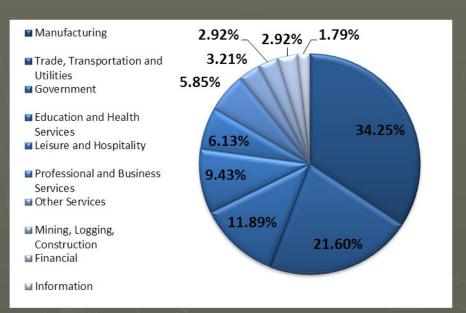
CITY OF KINGSPORT	2006	2010	2011
Unemployment Rate	6.0%	8.8%	7.9%
Population	44,758	48,205	50,851
Labor Force	19,050	19,430	19,650
Employed	17,910	17,730	18,100
Unemployed	1,150	1,710	1,550

Employment in Kingsport, TN-VA MSA	January 1990	% of All Jobs	December 2011	% of All Jobs	Change (Jan 1990- Dec 2011)	% Change 1990-2011
Education and Health Services	10,000	9.43%	19,200	16.07%	9,200	6.63%
Leisure and Hospitality	6,500	6.13%	11,600	9.71%	5,100	3.58%
Mining, Logging, Construction	3,100	2.92%	6,900	5.77%	3,800	2.85%
Professional and Business Services	6,200	5.85%	8,900	7.45%	2,700	1.60%
Government	12,600	11.89%	16,200	13.56%	3,600	1.67%
Financial	3,100	2.92%	4,500	3.77%	1,400	0.84%
Other Services	3,400	3.21%	4,300	3.60%	900	0.39%
Information	1,900	1.79%	2,300	1.92%	400	0.13%
Trade, Transportation and Utilities	22,900	21.60%	24,700	20.67%	1,800	-0.93%
Manufacturing	36,300	34.25%	20,900	17.49%	-15,400	-16.76%
TOTAL	106,000	100.00%	119,500	100.00%	13,500	← Net Gain

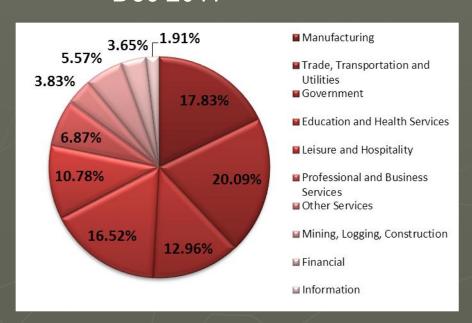
DIVERSIFICATION 13,500 Net New Jobs

Employment in Kingsport MSA

Jan 1990



Dec 2011



Leadership

"When people ask, 'How did you do it?'
...we did t."

Mayor Dennis Phillips, Kingsport

"A community's progress should be measured in quarter centuries, not quarters"

Keith Wilson, Publisher Kingsport Times-NEws

Tri-Cities regains jobs lost in Great Recession

■ Among the region's cities, Kingsport gained the most jobs and posted the lowest unemployment rate in the fourth quarter.

By SHARON CASKEY HAYES shayes@timesnews.net

While the national economy



HIPPLE

According to the latest labor market report issued Wednesday by ETSU, the Tri-Cities metropolitan area gained 4,684 jobs in the fourth

"If you don't continually plant acorns, you'll have a future season without oak trees"

Miles Burdine, Kingsport Chamber CEO

"We must have a series of sustained successes"

Mayor Jeanette Blazier,

Kingsport

"We're the 30 year overnight success story" Mayor Knox White, Greenville, SC

But it all begins with an educated workforce....

Bill Locke President Emeritus

Northeast State Community College

I need 20 million dollars! Any takers?

- Regional Center for Applied Technology (RCAT)
- Regional Center for Health Professions (RCHP)
- Kingsport Center for Higher Education (KCHE)
- Pal Barger Regional Center for Automotive Technology

Charlie Floyd

Vice President & Mill Manager, Domtar Paper

Past Chair, Board of Directors, Kingsport Area Chamber of Commerce

The lights are still on and I need employees!

Regional Center for Advanced Manufacturing (RCAM)

John Campbell City Manager City of Kingsport

Just how much did it cost? How did we pay for it?

Morris Baker Director of Grants & Government Relations City of Kingsport

How big a bang for our buck?

City of Kingsport, Tennessee

EDUCATIONAL ATTAINMENT	2000 Census	% of City Population 25 years and over	2010 ACS 5-Yr	% of City Population 25 years and over
Population 25 years and over	31,971	100%	34,412	100%
Less than 9th grade	3,533	11.1%	2,478	7.2%
9th to 12th grade, no diploma	3,995	12.5%	3,200	9.3%
High school graduate (includes equivalency)	9,299	29.1%	11,390	33.1%
Some college, no degree	5,914	18.5%	6,366	18.5%
Associate's degree	1,676	5.2%	2,512	7.3%
Bachelor's degree	4,785	15.0%	5,368	15.6%
Graduate or professional degree	2,769	8.7%	3,097	9.0%

How far we've come in 10 years



Net Change in Number of City Residents 25 years and over	% Change in Number of City Residents 25 years and over
2,441	7.6%
-1,055	-29.9%
-795	-19.9%
2,091	22.5%
452	7.6%
836	49.9%
583	12.2%
328	11.8%

^{*}Source: 2000 Census and 2006-2010 American Community Survey

Then and Now	1999 Summit	2010 ACS 5-Yr
College degree or higher	18%	32%
Median age	42.3	43.7
Over 65	21%	20%
Median Family Income	\$30,279	\$51,826

В	ut we still have more to do	City of Kingsport	Sullivan County	Hawkins County	State of Tennessee	United States
ŀ	Less than 9th grade	7.2%	7.4%	10.8%	6.8%	6.2%
ŀ	9th to 12th grade, no diploma	9.3%	10.6%	11.1%	10.7%	8.7%
ŀ	High school graduate (includes equivalency)	33.1%	34.0%	40.5%	33.4%	29.0%
	Some college, no degree	18.5%	20.5%	19.7%	20.4%	20.6%
ŀ	Associate's degree	7.3%	7.6%	5.5%	6.0%	7.5%
•	Bachelor's degree	15.6%	13.0%	8.4%	14.7%	17.6%
	Graduate or professional degree	9.0%	7.0%	4.0%	8.0%	10.3%